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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the Application of: Jarrett et al. ) Examiner: Dr Kailash C Srivastava  
Application No. 09/856,221 )  
Filed: 20 August 2001 ) Group Art Unit: 1651  
For: INSECTICIDAL AGENTS )

**DECLARATION OF PAUL JARRETT**

I, PAUL JARRETT, hereby declare as follows.

1. I am presently employed as a Principal Research Investigator at Horticulture Research International, Wellesbourne, Warwickshire, CV35 9EF, United Kingdom.
2. I was awarded an MIBiol in Biochemisrty and Microbiology in 1978 from Brighton University. I have had over 30 years of scientific training and research experience in the areas of biochemistry, microbiology and insect pathology. I am the author or co-author of more than 60 scholarly publications. I have also refereed papers for numerous scientific journals and acted as a PhD examiner for Universities.
3. My recent work has focused on the isolation, characterisation and genetics of bacterial toxins with activity to insect and nematode pest species.
4. I am a co-inventor of the subject matter covered in the above-referenced U.S. Patent Application Serial No. 09/856,221, entitled "Insecticidal agents" (referred to hereinafter as "the present application"), the pending claims of which are currently finally rejected in the U.S. Patent and Trademark Office.
5. I have read and am familiar with the final rejection mailed 10/09/2003, in the present application. I understand the nature of the rejection made by the Examiner at point 8 of the Official Action concerning an alleged failure to meet the requirements of USC102(b) or 103(a). It is the Examiner's position that (absent evidence to the contrary) the insecticidal activity taught by WO 98/08388 (Jarrett et al.) is the same as that which is the subject of the claims of the present application. I disagree with this allegation for the reasons set forth in the following paragraphs.
6. Evidence is attached as Appendix I showing the activities of (i) the I73 and H31 toxins of the present invention obtained from said deposited *Xenorhabdus bovienni* strains, and (ii) typical toxins from *Xenorhabdus nematophilus* strains, including strains deposited as NCIMB 40887 and NCIMB 40886 disclosed in WO 98/08388 (Jarrett et al.). The data directly compares the activity of the strains against a range of insects from four different orders. The experiments were performed using assays corresponding to those in the Examples of the present application or WO 98/08388 (Jarrett et al.)  
The major differences can be summarised as:-

\* The *X. bovienii* strains are suprisingly active to the aphid species *Myzus persicae* (as demonstrated in the present application). Therefore, the *X. bovienii* are active to insects of the order Homoptera. However the *X. nematophilus* strains were not active at the concentrations tested.

\* The *X. bovienii* strains were highly active to the beetle (Coleopteran) species *Phaedon cochleariae* (as highlighted in the present application). By comparison *X. nematophilus* had poor activity, clearly showing a difference in the spectrum of activity between the two bacterial species.

\* The two *X. bovienii* strains had little or no activity to the dipteran, mosquito pest species *Aedes aegyptii*. *X. nematophilus* when tested at the same concentration caused 100% larval mortality. These results clearly show a further difference in specificity.

\* Within the same order of insects, although both bacterial species are active to lepidoteran larvae, they differ considerably in relative activity. For example, *X. nematophilus* is highly active to *Heliothis virescens* and *Pieris brassicae*, with moderate active to *Plutella xylostella*. By comparison *X. bovienii* is not active to *H. virescens* and only moderately to *P. brassicae* and *P. xylostella*.

7. It is apparent from the results that the *X. bovienii* strains I73 and H31 have a very different spectrum of activity to the *X. nematophilus* strains tested. Therefore the toxin of the present claims which is obtained from *X. bovienii* strains I73 and H31 is different to that of the tested *X. nematophilus* strains.

8. I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful statements may jeopardize the validity of the above-referenced application or any patent issued thereon.

Dated: .....

22nd March 2004

Signature: .....



PAUL JARRETT

# Appendix I to Declaration of Paul Jarrett

Activity of the *Xenorhabdus bovienii* strains I73 and H31 compared to three typical strains of *Xenorhabdus nematophilus*.

Strain Code	<i>H. virescens</i> <sup>1</sup> <i>P. brassicae</i> <sup>2</sup> <i>P. xylosteella</i> <sup>2</sup> <i>P. cochleariae</i> <sup>2</sup> <i>M. persicae</i> <sup>3</sup> <i>A. aegyptii</i> <sup>4</sup>					
	<i>X. bovienii</i>	<i>X. nematophilus</i>	<i>X. nematophilus</i>	<i>X. nematophilus</i>	<i>X. nematophilus</i>	<i>X. nematophilus</i>
I73	>100	0.473	0.13	0.104	0.14	no effect
H31	>100	0.473	0.18	0.053	0.16	no effect
N38	0.061	0.014	0.62	4.37	>2.0	100% mortality
MFJ 296 (NCIMB 40887)	0.072	0.020	0.926	5.12	>2.0	100% mortality
QQ2 (NCIMB 40886)	0.112	0.019	1.06	9.60	>2.0	100% mortality

1. Activity expressed as  $\mu\text{g}$  of protein per  $\text{cm}^2$  of insect diet to reduce larval growth by 50%.
2. Activity expressed as  $\mu\text{g}$  of protein per  $\text{cm}^2$  of insect diet to kill 50% of larvae.
3. Activity measured as the amount of protein (mg/ml) required to reduce aphid fecundity by 50%.
4. Effect of 100 $\mu\text{l}$  of broth culture per ml of deionised  $\text{H}_2\text{O}$ .

Dated 22nd March 2024

Signature: Paul Jarrett

## **Paul Jarrett**

**Research scientist with expertise in microbiology, bacterial genetics and insect pathology. Worked for over 30 years on the use and development of entomopathogens to control insect pests.**

### **CAREER EXPERIENCE**

- Studies have focused mainly on the development of biological methods of pest control using environmentally safe insect specific microbial pathogens.
- Successful management of Defra, BBSRC and commercially funded scientific research projects.
- Previous studies have focused on the host spectrum, genetics, strain isolation and ecology of the bacterial insect pathogen *Bacillus thuringiensis*.
- Recent research has centred on a new group of insect active toxins; identified from the nematode associated bacterial genera *Xenorhabdus*. These studies have, for the first time characterised and cloned the genes coding for insect activity. Which, led to a number of discoveries, resulting in the filing of three patents.
- Successfully supervised, mentored and exam the thesis of PhD students. Subsequently produce written reports for the PhD awarding university.

### **CAREER SUMMARY**

**Research scientist at Horticulture Research International (HRI). 1972 - to date**

**Principal Investigator. HRI Littlehampton/Wellsbourne 1990 - 2004**

- Responsible for the initiation and management of research and commercial projects.
- Project manager and practical bench scientist.

**Higher Scientific Officer. HRI Littlehampton 1985 - 1990**

- Conducting research projects to improve the activity of bacterial pathogens for use in pest control.

**Scientific Officer. HRI Littlehampton 1979 - 1985**

- Development of genetic systems to improve the activity of bacterial pathogens to control insects.

Assistant Scientific officer. HRI Littlehampton

1972 – 1979

- Responsible for insect rearing and biotesting of microbial pathogens.

Plant Pathologist

Granstrom Horticulture

1970 – 1972

- Chemical analysis of soils and identification of plant pathogens.

## QUALIFICATIONS & TRAINING

MIBiol in Microbiology and Biochemistry.

HNC in Applied Quantitative Biochemistry and Microbiology

## REFERENCES

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themselves, their agents and employees and anyone acting in concert with them from infringing the patent in issue, No. 392.

As to the counterclaim interposed by defendants — the defendants have counterclaimed for declaratory relief. In the counterclaim defendants seek a declaration that the patent is both invalid and if valid, not infringed. Consistent with the findings and conclusion already expressed, the finding will be against the defendant as to the declaratory relief counterclaim.

There were originally other aspects of the counterclaim contained in it as originally pleaded. The other aspects were heretofore abandoned and therefore require no ruling.

## II. ADDITIONAL FINDINGS AND CONCLUSIONS ON THE ISSUE OF VALIDITY

### A. Scope and Content of Prior Art

1. The references before the Patent Office were of two different types: (1) equipment securing devices utilizing mechanical techniques without utilizing adhesives; and (2) adhesively mounted devices not related to equipment security devices.

2. The patents before the Patent Office disclosing equipment securing devices utilizing mechanical techniques are the following:

Lucasey 3,724,798 granted on 4/3/73  
Raskin 3,664,616 granted on 5/23/72  
Danelio 3,128,979 granted on 4/14/64  
Jimenez 2,486,032 granted on 10/25/49  
Wellekens 3,464,241 granted on 9/2/69  
Singer et al 3,605,460 granted on 9/20/71

3. The patents before the Patent Office disclosing adhesively bonded devices that are not equipment securing devices are the following:

Janssen 3,636,181 granted on 1/25/72  
Schwartz 2,764,817 granted on 10/2/56

4. The following additional references, not before the Patent Office, relied on by defendants, are:

a) The Smith reference, U.S. patent 1,197,405, issued September 5, 1916 and identified as defendants' Exhibit 152. The Smith patent discloses a "Fastening Device For Mail Boxes".

b) The Page reference, U.S. patent 2,346,271, issued April 11, 1944 and identified as defendants' Exhibit 153. The patent discloses an "Auxiliary Typewriter Bed".

B. Prior Art Contrasted to the Claims of the Gassaway '392 Patent

1. None of the prior art references considered by the Patent Office prior to granting the '392 patent disclosed the overall combination of the patent claims and having an adhesive pad for releasably, adhesively mounting the security device to a supporting surface.

2. None of the prior art references not considered by the Patent Office and relied on by the defendants disclose (1) an equipment security device of the type defined by the claims of the '392 patent or, (2) a device mountable by adhesive techniques and/or an adhesive pad.

3. None of the prior art references suggest, hint or raise an inference that would lead to combining the prior art in the manner of each of the claims of the '392 patent when the subject matter of each claim is taken as a whole.

### C. The Level of Ordinary Skill in the Art

The level of ordinary skill in the art of equipment security devices immediately prior to or to 1973 is the skill of an ordinary mechanical designer, without an engineering degree, but having approximately two to three years experience with mechanical devices regarding the purely mechanical portions of the Gassaway equipment security device. The artisan must have sufficient knowledge of adhesives to understand the types of loads that are applied to adhesives including shearing loads and the difference in the peeling and tensile properties of adhesives.

D. The Non-Obviousness of the Gassaway '392 Patent

1. No single prior art reference discloses each and every element of the claimed Gassaway equipment security device.

2. None of the prior art cited by the defendants is more pertinent or as pertinent to the Gassaway invention than that cited by the Patent Office.

3. The prior art cited by the Patent Office and the prior art cited by the defendants would not lead one skilled in the art to combine the teachings thereof to produce an adhesively mounted equipment security device without resorting to hindsight or otherwise.

4. The Gassaway '392 patent represents a pioneering or substantial advancement in the equipment security art. The inclusion of an adhesive pad in a security equipment device having the adhesive properties specified by Mr. Gassaway is not disclosed in the prior art and is a substantial advance in the art that would not have been obvious to one

skilled in the art at the time of filing of the application for the '392 patent.

5. Secondary considerations or objective evidence relevant to obviousness include commercial success, long felt but unsolved needs, the failures of others and copying of the patented product. Commercial success of the plaintiffs' product and the copying of the plaintiffs' product by others has been established.

## III. ADDITIONAL FINDINGS AND CONCLUSIONS ON INFRINGEMENT

### A. Infringement of Vaultec Product

1. Nothing in the Gassaway '392 patent or its prosecution history or the prior art requires that any of the patent claims be restricted in meaning or the scope of the claims be restricted to the disclosed embodiment.

2. The subject matter of the claims in the Gassaway '392 patent are adequately described in the specification of the patent and the invention described is particularly pointed out and distinctly claimed.

3. The Vaultec product performs the same function in substantially the same way and accomplishes the same result as recited in the '392 patent claims.

## IV. INTERCHANGEABILITY OF FINDINGS AND CONCLUSIONS

If any Finding of Fact is construed as a Conclusion of Law, or any Conclusion of Law is construed as a Finding of Fact, the same is deemed to be such.

## JUDGMENT

The within action came before the Court for trial on May 6, 1986. Trial continued through and including May 21, 1986. Appearances were: For Plaintiffs, Edward J. DaRin, Esq., and for Defendants, Michael M. Hachigian, Esq.

The Court on May 23, 1986, announced its findings of fact and conclusions of law and that judgment would be entered in favor of plaintiffs and against defendants.

The Court's findings of fact and conclusions of law are contained partly in a transcript of the proceedings on May 23, 1986, which is incorporated herein by reference, and partly in a document filed May 23, 1986, entitled "Additional Findings of Fact and Conclusions of Law". The transcript of the May 23, 1986 hearing is ordered filed when produced.

IT IS ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

Court of Appeals, Federal Circuit

In re Chupp

No.86-1631

Decided April 15, 1987

## PATENTS

### 1. Patentability/Validity — Obviousness — Evidence of (\$115.0903)

Patent and Trademark Office Board of Patent Appeals and Interferences improperly rejected claimed herbicidal compound for obviousness under 35 USC 103, since there is no set number of crops on which compound's superiority must be shown, and since compound's superior activity on quackgrass and yellow nutsedge in corn and soybeans is sufficient to rebut prima facie case of obviousness.

Appeal from the Patent and Trademark Office, Board of Patent Appeals and Interferences.

Application for patent, Serial No. 358,967, by John P. Chupp. From decision affirming examiner's final rejection of claims 1 and 12, applicant appeals. Reversed.

Dale H. Hoscheit, and Banner, Birch, McKie & Beckett, both of Washington,

D.C. (William I. Andres, St. Louis, Mo., on the brief) for appellant.

Richard E. Schafer, associate solicitor, Office of the Solicitor (Joseph F. Nakamura, solicitor, and Fred E. McKelvey, deputy solicitor, on the brief) for Patent and Trademark Office.

Before Markey, Chief Judge, Friedman, Circuit Judge, and Re, Chief Judge (U.S. Court of International Trade, sitting by designation).

Markey, Chief Judge.

Appeal from a decision of the United States Patent and Trademark Office (PTO) Board of Patent Appeals and Interferences (board), affirming the examiner's final rejection of claims 1 and 12 in application Serial No. 358,967 under 35 U.S.C. §103. We reverse.

## BACKGROUND

On March 17, 1982, John P. Chupp (Chupp) filed a continuation-in-part application, assigned to Monsanto Company, entitled "Herbicidal 2-Haloacetanilides." The application contained 41 claims to a variety of chemical compounds within the generic class of 2-haloacetanilides, a method for using the compounds to combat weeds in crops, and an herbicidal composition containing a 2-haloacetanilide.

The examiner rejected all claims under 35 U.S.C. §§102(a) and 103, stating that the references, including Swiss patents 579,348 (issued July 31, 1976) and 585,191 (issued January 15, 1977) (Swiss patents), rendered the claimed compounds, methods and compositions *prima facie* obvious.

Chupp canceled all but eleven claims and limited the remaining claims to a single compound, N-(ethoxymethyl)-2'-trifluoromethyl-6'-methyl-2-chloroacetanilide. That compound differs by a single methylene group (-CH<sub>2</sub>-) from the closest prior art compound, N-(ethoxymethyl)-2'-trifluoromethyl-6-methyl-2-chloroacetanilide, disclosed in the Swiss patents. Chupp apparently did not challenge the examiner's conclusion that the Swiss patents rendered the claimed compound *prima facie* obvious.

To rebut the *prima facie* case of obviousness, Chupp submitted a declaration discussing the results of tests comparing the herbicidal

dal activity of the claimed compound with that of the closest prior art compounds and with two commercial herbicides. The tests compared the compounds' ability to control two weeds, quackgrass and yellow nutsedge, in two crops, corn and soybeans. It is undisputed that the claimed compound gave superior results, exhibiting selectivity factors (crop safety combined with weed-killing activity) at least five times greater than those of the closest prior art compounds. The declarant concluded "the herbicidal properties of the compound of the invention herein are unquestionably outstandingly superior to those of the relevant prior art; the unexpected and unpredictable magnitude of superiority is evidenced by the many-fold increase in unit activity against weeds and high crop safety."

The examiner finally rejected all claims under 35 U.S.C. §103 as being unpatentable over the Swiss patents, saying that comparative testing using only two weeds and two crops was insufficient to establish unexpected herbicidal activity.

Chupp submitted two more declarations. The first presented data from a second comparative test of the claimed compound and the closest prior art compounds, again comparing their ability to control quackgrass and yellow nutsedge in corn and soybeans. The second declaration, from Dr. F. W. Slife, a University of Illinois agronomy professor, analyzed the results of both comparative tests and praised "the superior performance of the invention compound vis-a-vis the prior art compounds as completely unexpected considering the close chemical structure of the test compounds."

The examiner allowed claims 36 and 37 for a method of combating weeds in corn and soybeans using the claimed compound, but continued to reject the remaining claims. The examiner said that more extensive comparative testing was needed because the data disclosed in the specification showed the claimed compound would not be superior to prior art compounds for crops other than corn and soybeans.

Chupp appealed the rejection to the board, canceling all remaining rejected claims except 1 and 12. Claim 1 sets forth the compound and its structure. Claim 12 sets forth an "[h]erbicidal composition comprising an adjuvant and a herbicidally effective amount of the compound" and the compound's structure.

The board affirmed the rejection of claims 1 and 12, holding that Chupp's evidence was

insufficient to rebut the *prima facie* case of obviousness. The board said the claimed compound had no new selective herbicides, so it was no surprise that the claimed compound was also a selective herbicide.\* Prior art herbicides were useful in many crops; the specification data showed that the claimed compound was at best a run-of-the-mill performer in crops other than corn and soybeans. The board held that because the claims were limited to no particular weed or crop, "the showing is not fairly representative of that which is encompassed by the claims." Therefore, concluded the board, the evidence of superiority in corn and soybeans could not rebut the *prima facie* obviousness of the "invention as a whole."

The board further stated that Swiss patent 579,348 taught that N-alkoxymethyl chloroacetanilides (like the claimed compound) were superior in activity to the corresponding N-alkoxyethyl chloroacetanilides (like the closest prior art compound). Thus, said the board, "the results shown by appellant in his declaration are only those which would have been expected."

## ISSUE

Whether the board erred in sustaining the rejection of claims 1 and 12.

## OPINION

It is undisputed that the claimed compound is novel. That its superior activity in corn and soybeans is a new and unexpected property is confirmed by the allowance of the method claims to its use on corn and soybeans. See *In re McLamore*, 379 F.2d 985, 988-90, 154 USPQ 114, 117-18 (CCPA 1967) (the grant of method claims persuasive of compound's nonobviousness).

Chupp argues that this case is controlled by *In re Papesch*, 315 F.2d 381, 137 USPQ 43 (CCPA 1963), and the line of cases following it. In *Papesch*, one of our predecessor courts reversed a rejection of claims to compounds structurally similar to a prior art compound, but which unexpectedly possessed antiinflammatory properties. The *Papesch* court held, "From the standpoint of patent law, a compound and all of its properties are inseparable; they are one and the same thing." 315 F.2d at 391, 137 USPQ at 51. Under the *Papesch* doctrine, evidence of unobvious or unexpected advantageous prop-

\* An herbicide is "selective" if it controls weeds without injuring the crop.

erties may rebut a *prima facie* case of obviousness based on structural similarities. *Id.* at 386-87, 137 USPQ at 48. Such evidence may include data showing that a compound is unexpectedly superior in a property it shares with prior art compounds. *E.g., In re Lunsford*, 357 F.2d 380, 148 USPQ 716 (CCPA 1966). Chupp says the undisputed evidence that the claimed compound possesses superior herbicidal activity on quackgrass and yellow nutsedge in corn and soybeans shows that the compound possesses unobvious and unexpected advantageous properties rebutting the *prima facie* case of obviousness.

The Solicitor counters that, under 35 U.S.C. §103, a compound is patentable only if its "subject matter as a whole" would not have been obvious at the time the compound was made. The Solicitor, like the board, maintains that *Papesch* does not help Chupp because the claimed compound possesses no new or unexpected property; it possesses the same property as the prior art compounds, i.e., selective herbicidal activity. The Solicitor dismisses the claimed compound's superiority in respect of corn and soybeans, saying its herbicidal utility in other crops, which the Solicitor argues represents its properties "as a whole", is only so-so.

We do not agree with the Solicitor's construction of *Papesch*. *Papesch* held that a compound can be patented on the basis of its properties; it did not hold that those properties must produce superior results in every environment in which the compound may be used. To be patentable, a compound need not excel over prior art compounds in all common properties. See *United States v. Ciba-Geigy Corp.*, 508 F.Supp. 1157, 1169, 211 USPQ 529, 535-36 (D.N.J. 1979). Evidence that a compound is unexpectedly superior in one of a spectrum of common properties, as here, can be enough to rebut a *prima facie* case of obviousness. *In re Ackermann*, 444 F.2d 1172, 1176, 170 USPQ 340, 343 (CCPA 1971).

The Solicitor urges that *In re Payne*, 606 F.2d 303, 203 USPQ 245 (CCPA 1979), directs a contrary holding. We disagree. In *Payne*, the Court of Customs and Patent Appeals said the mere submission of some evidence that a new compound possesses some unpredictable properties does not require an automatic conclusion of nonobviousness in every case. 606 F.2d at 316, 203 USPQ at 256-57; see also *In re de Montmolin*, 344 F.2d 976, 979, 145 USPQ 416, 417 (CCPA 1965). The *Payne* court held that the evidence submitted in that case was insufficient to rebut a *prima facie* case of obviousness, because the claimed compound

was compared with too few prior art compounds. 606 F.2d at 316, 203 USPQ at 256-57. That is not the situation in this case.

In *Ackermann*, the Court of Customs and Patent Appeals rejected an argument similar to the one the PTO advances here. *Ackermann* sought to patent an optical brightener compound. To rebut a *prima facie* case of obviousness, *Ackermann* submitted evidence that the claimed compound was ten times more effective on polyester fibers than were the closest prior art compounds. The specification stated, however, that the claimed compound could be used as an optical brightener on a variety of materials. In affirming the examiner's rejection, the board said that the evidence of superiority on polyester fibers did not support the breadth of the claim, which covered the compound for all brightening purposes. The Court of Customs and Patent Appeals reversed, holding that the evidence of superiority on polyester fibers "pertained" to the full extent of subject matter being claimed" (i.e., the compound per se), and was enough to show that the compound possessed an unexpected difference in properties over the prior art. 444 F.2d at 1176, 170 USPQ at 343. That reasoning is fully applicable to this case.

The Solicitor contends, as above indicated, that the evidence demonstrating the claimed compound's superior performance in corn and soybeans does not show an *unexpected* difference in properties because the Swiss patents teach that similar compounds would be selective herbicides, and the comparative tests therefore show only what would reasonably have been predicted. The properties of a compound, however, may include an unexpectedly superior performance of the selective herbicidal activity. *E.g., Lunsford*, 357 F.2d at 384, 148 USPQ at 720.

The evidence of record does not support the Solicitor's assertion that the claimed compound's properties are what would have been expected. The Swiss patents teach that their N-alkoxyethyl compounds are superior to N-alkoxymethyl chloroacetanilides, contrary to the view of agronomists. Dr. Slife's declaration forcefully states, "I find no evidence in the cited Swiss patents which would lead me to expect that a novel compound such as that claimed herein [an N-alkoxy-methyl chloroacetanilide] would have the superior properties it has exhibited." See *In re Blondel*, 499 F.2d 1311, 182 USPQ 294 (CCPA 1974) (reversing rejection of claims to compounds which prior art suggested would have longer-lasting pharmacological activity, where actual increase was beyond reasonable expectations).

The rejection here, though couched in §103 language, resolves itself into one based on "undue breadth," the PTO's concern being that a claim to the compound "would forestall its use by others on crops other than corn and soybeans, even though such use would produce no more satisfactory, or even less satisfactory, results. The PTO's concern is misplaced. There is no set number of crops on which superiority must be shown, and the expectation that persons would want to use the compound to produce inferior results (or would want to fight lawsuits over such uses) is false. One of this court's predecessors pointed out the impropriety of "undue breadth" rejections long ago. *E.g., Ackermann*, 444 F.2d at 1176, 170 USPQ at 343; *In re Ruschig*, 343 F.2d 965, 978-79, 145 USPQ 274, 285-86 (CCPA 1965).

### CONCLUSION

[1] Chupp's evidence that the claimed compound possesses superior herbicidal activity on quackgrass and yellow nutsedge in corn and soybeans is sufficient to rebut the *prima facie* case of obviousness. We conclude that the claimed subject matter would not have been obvious to one of ordinary skill in the art at the time the invention was made. The decision of the board affirming the rejection of claims 1 and 12 under 35 U.S.C. §103 is reversed.

### REVERSED

District Court, C.D. California

Cels Enterprises Inc. v. California Ivy Inc.

No. CV 86-5907

Decided February 23, 1987

### TRADEMARKS

#### 1. Conflicts between marks — Likelihood of confusion — In general (§335.0302)

Evidence, in trademark infringement action concerning concurrent use of "Chinese Laundry" for women's clothing, demonstrating similarity of goods, near identity of marks, and identity of marketing channels supports determination that plaintiff senior user has demonstrated probability of success

on merits by making strong showing of likelihood of confusion.

Action by Cels Enterprises Inc., against California Ivy Inc., for trademark infringement. On plaintiff's motion for preliminary injunction. Motion granted.

Robert D. Hornbaker and Freilich, Hornbaker, Rosen & Fernandez, both of Los Angeles, Calif., for plaintiff.

Ira M. Siegel, Steven Catalano, and Blakely, Sokoloff, Taylor & Zafman, all of Los Angeles, Calif., for defendant.

Rafeedie, District Judge.

The court hereby makes these Findings of Fact and Conclusions of Law in support of preliminary injunction, as required by Local Rule 14.3, and Rule 52 of the Federal Rules of Civil Procedure.

### A. FINDINGS OF FACT

1. Plaintiff Cels Enterprises, Inc. is a New York corporation having its principal place of business at 3485 S. La Cienega Blvd., Los Angeles, California 90016.

2. Defendant California Ivy is a California corporation having its principal place of business at 1125 E. Pico Blvd., Los Angeles, California 90021. Paragraph 2 of the complaint, admitted in paragraph 2 of the answer.

3. This is an action under the Trademark Act of 1946, also called the Lanham Act, for infringement of a registered trademark. Paragraph 3 of the complaint, admitted in paragraph 3 of the answer. This is also an action under the Trademark Act of 1946, for false designation of origin, and false description and representation. Paragraph 13 of the complaint, admitted in paragraph 13 of the answer. The Court has jurisdiction under §39 of the Act, 15 U.S.C. § 1121, and 28 U.S.C. § 1338(a).

4. Plaintiff Cels Enterprises is the owner of U.S. Registration No. 1,330,948, registered April 16, 1985, for Chinese Laundry, for shoes. Exhibit B attached to plaintiff's motion.

5. Chinese Laundry is a strong mark, as applied to shoes, because it is fictitious, arbitrary, and fanciful.

6. Cels first sold women's shoes, and shoes bearing the Chinese Laundry trademark, in the United States, at least as early

women's shoes, and shirts, bearing that mark, in the United States, since then. Declaration of Leon Levin, attached to the motion, paragraph 4.

7. Prior to May, 1984, plaintiff Cels sold, and shipped, women's shoes, and women's shirts, bearing the Chinese Laundry trademark, in substantial quantities, to all, or almost all, of the states of the United States, including California. For example, in December, 1983, Cels shipped women's shoes, and shirts, bearing the Chinese Laundry trademark, to the following states in these quantities:

Pennsylvania	126 pairs
New Jersey	612 pairs
New York	684 pairs
California	936 pairs
Missouri	900 pairs
Connecticut	36 pairs
Georgia	18 pairs
Colorado	54 pairs
Florida	342 pairs
Ohio	36 pairs
Indiana	18 pairs
Michigan	36 pairs
Nevada	54 pairs

Declaration of Leon Levin, attached to the Reply, paragraph 3.

8. Each shipment of shoes contained one promotional shirt, bearing the Chinese Laundry trademark, for each pair of shoes. *Id.* paragraph 4.

9. Plaintiff applies the Chinese Laundry trademark to socklinings, located on the inside, bottom of the shoes. The trademark is also applied to the tops, sides and ends of shoe boxes. In addition, the Chinese Laundry trademark is used on stationery, envelopes, and invoices. Declaration of Leon Levin, attached to the motion, paragraph 5.

10. Cels has sold, in the United States, approximately the following number of pairs of shoes, bearing the Chinese Laundry trademark:

April 1, 1983 to December 30, 1983	200,000
January 1, 1984 to December 30, 1984	400,000
January 1, 1985 to December 30, 1985	450,000

*Id.* paragraph 6.

11. In 1983, plaintiff sold approximately 30 women's shoes styles, ranging in wholesale price from \$11.50 to \$12 to \$35. *Id.* paragraph 7.

12. Cels has sold, and now sells, women's shoes bearing the Chinese Laundry trademark, in the United States, to independent stores, boutiques, and department stores, in-